

July 18, 2014

Chairman Tom Wheeler
Commissioner Mignon Clyburn
Commissioner Michael O’Rielly
Commissioner Ajit Pai
Commissioner Jessica Rosenworcel

Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: Notice of Proposed Rule Making (NPRM) FCC Docket No. 14-28

Dear Chairman Wheeler and Commissioners:

We are writing on behalf of the National Grange and the United States Distance Learning Association in response to the Federal Communications Commission’s notification to consider reclassifying broadband Internet service providers under the protocols and regulations that govern Title II telecommunication providers under the Communications Act of 1996.

Our organizations collectively represent general agriculture, farming and ranching, and rural community interests across the United States. We believe free-market competition and private sector investment are keys to improving economic opportunity, access to education and healthcare resources, and the quality of life in America’s rural and agricultural communities.

The National Grange opposes unnecessary government regulation, taxation and controls that may discourage private investment in and the deployment of advanced telecommunications technologies. Accordingly, the National Grange urges the Federal Communications Commission to resist reclassifying Internet service providers under the same antiquated controls designed to regulate telephone companies.

Rigid policy prescriptions do not accommodate the dynamic products and services provided over broadband; will impede infrastructure development, especially in rural areas; and will increase point-of-connection costs for end users. Previously, we supported a National Broadband Plan, developed by the Commission under Congress’ direction, which will ensure more equal and reliable access to high speed Internet access for all Americans, regardless of their geographic location. We still support those valid goals and are concerned that overregulation will derail their success.

Over the past two decades significant gains in broadband deployment and adoption have helped close digital-access disparities across the country. Since the Communications Act of 1996, private carriers have invested more than \$1.2 trillion in broadband infrastructure. As a result, more than 85 percent of American households live in areas with access to broadband networks able to transmit data at speeds of over 100 megabits per second. However, according to the Commission’s 2012 *Eighth Broadband Progress Report*, 23.7 percent of rural residents and 1.8 percent of non-rural residents, or about 19 million people, lack access to fixed-broadband. The Department of Commerce’s report, *Exploring the Digital Nation: America’s Emerging Online Experience*, found that in 2011, 72 percent of urban households had adopted broadband service, compared to only 58 percent of those in rural areas.

Federal regulatory policy should make closing such disparities between rural and non-rural areas a primary objective by extending broadband access and adoption. Establishing an environment that encourages private investment and competition for new customers is the surest way to promote continued expansion and maintenance of broadband infrastructure and to provide the best services at the most competitive prices to rural residents.

The steady shift towards e-commerce and online resources has created an emphasized importance on ready access to high-speed broadband Internet. Less and less are companies operating in brick-and-mortar businesses. In 2013, the Congressional Budget Office issued a report, *Broadband Internet Access and the Digital Divide*, citing evidence that communities with access to high-speed broadband experienced greater job growth compared to those without.¹ Across the country, broadband and IT businesses support close to 11 million jobs; access to online resources determines the success of countless others. There is no question that businesses of all sizes utilize broadband to reach consumers and access resources and market research. A 2009 study by the Internet Innovation Alliance found net consumer benefits of home broadband reach upwards of \$32 billion per year.²

As today's classrooms shift to the digital space, access to broadband Internet is increasingly important for students and families in rural areas in order to stay abreast. A State Educational Technology Directors Association notes "out-of-school access to broadband by students and teachers is now arguably as important to the overall quality of the student learning experience as access at school." A 2010 study by the U.S. Chamber of Commerce, *The Impact of Broadband on Education*, found "Broadband-enabled technologies are redefining traditional notions of education," but that impacts "are dependent on the wide availability and robust adoption of broadband."

According to a 2012 study by Rural Policy Matters, about one-fourth of all U.S. students attend a rural school, and enrollment in rural schools has outpaced growth in all other locales. However, research shows that rural schools and communities have insufficient broadband coverage compared to those in non-rural areas. Rural schools are 13 times more likely than non-rural schools to lack adequate access to broadband internet. That disparity threatens to put students in rural communities at an educational disadvantage and discourage them from pursuing higher levels of education. Students need reliable access to high-speed broadband to participate in AP classes, access continuing education resources, and join online classes, both in K-12 and at the college level.

Broadband is also critical to accessing healthcare resources. Doctor-patient services, doctor-to-pharmacy services, doctor-to-doctor coordination, and patient-to-patient support are all occurring more and more in the digital space. By 2015, as many as 500 million individuals will run medical apps on their phone. Already more than 60 percent of doctors use programs on digital tablets in their practice. Without adequate access to high-speed broadband, rural communities are unable to access medical resources from the routine, filling prescriptions, to life-saving, electrocardiograms to notify doctors of emergencies.

¹ <http://fas.org/sgp/crs/misc/RL30719.pdf>

² Mark Dutz, Jonathan Orszag, and Robert Willig, The Substantial Consumer Benefits of Broadband Connectivity for U.S. Households, Internet Innovation Alliance, July 2009, p. 4, http://internetinnovation.org/files/special-reports/CONSUMER_BENEFITS_OF_BROADBAND.pdf.

In recent years agribusiness has quickly adopted online resources dependent on broadband internet. Most new models of equipment are equipped with and often partially operated by technologies that operate on wireless broadband to collect and transmit data. Maintenance can often be conducted from a remote location. Farmers and ranchers also require connectivity to monitor weather patterns, formulate harvest schedules and track commodity prices. A study by the South Dakota Broadband Initiative found 73 percent of agricultural producers use the Internet to check the price of commodities, up from 65 percent in 2012.

We believe that encouraging competition and restricting government intervention in the private telecommunications markets is the best way to expedite expansion of broadband networks to rural communities. Federal management of Internet infrastructure will hamper growth and put an unnecessary burden on taxpayers, both at the state and national level. Moreover, the National Grange maintains that private suppliers provide the most consistent end-user services in rural, farming and tribal areas. As Americans continue to transition to the digital space to access healthcare, business and social resources, heavy bandwidth applications and new streaming software will become increasingly present. It is critical rural communities gain reliable access to broadband Internet in order to access these same resources.

The rigid regulations and requirements mandated under Title II classification would restrict broadband development and hamper deployment of high-speed Internet access to rural areas. In May, 2010, the Commission proposed reclassifying broadband under Title II. Research shows immediately following that consideration investors withdrew about ten-percent of broadband providers' market capitalization, equaling about \$18 billion.

Outdated regulations developed for phone-service providers fail to reflect the breadth of products offered over broadband. Such *ad hoc* regulations and requirements would not keep pace with the services and applications delivered over broadband, and would impose additional, unnecessary costs to providers and consumers, nor could *ex ante* regulation anticipate and properly accommodate for the innovations that will be made in the digital space. Additionally, delayed deployment of broadband services could exclude millions of underserved Americans from participating in the formation of how such services are provided and monitored.

Because of their nature, rural communities enjoy the privileges of developing markets, meaning market-forces will preclude several factors that otherwise could require government oversight in the deployment of broadband, including: collusion, monopolization and discriminatory access. Instead, pricing and service- and product-availability will determine providers provide access to these communities.

We also support the formation of an advisory panel that assists the Commission in determining policy in order to best ensure rural communities receive equal access to broadband services and which helps monitor network management thereof. Oversight of broadband deployment to and networks in is best determined by the communities demanding such services, the position of which is currently underrepresented at the national level.

As stated earlier, our organizations represent citizens across the country. Our organizations have promoted fair, competitive social and economic development with the mission of preserving and bolstering the strength rural America. We believe access to reliable high-speed broadband is critical to continued success and sustainability of the country's rural, agricultural and tribal communities. We urge

the Commission to reject considerations to reclassify American broadband providers under outdated Title II regulatory and tax requirements, which would impede high-speed Internet access and constrict development in these regions.

We appreciate your consideration and the opportunity to contribute to the Commission's review of this important issue.

Sincerely,

Ed Luttrell, President and Master
National Grange of the Order of Patrons of Husbandry

John G. Flores, Ph.D., CEO and Executive Director
United States Distance Learning Association